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FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC PRIORITY 7411

USDOC WASHDC PRIORITY

UNCLAS SECTION 1 OF 7 THE HAGUE 0339

E.O. 11652: N/A

TAGS: BEXP, AFSP, NL

SUBJECT: COUNTRY COMMERCIAL PROGRAMS FOR FY 77

REF: A) STATE A-7369, DEC 10, 1975; B) THE HAGUE A-168, DEC
5, 1975; C. THE HAGUE 0651, FEB 10, 1975.

1. INTRODUCTION AND SUMMARY:

A. AS REQUESTED IN REF A. THIS
TLEGRAMS COVERS SECTIONS I, II, AND III OF THE FY 77 CCP, THE
OTHER SECTIONS BEING THE SUBJECT OF SUBSEQUENT COMMUNICATIONS.

B. BECAUSE OF DEVELOPMENTS AND CHANGES IN THE THRUST OF OUR
COMMERCIAL ACTIVITES, WE HAVE RETAINED AS MAJOR CAMPAIGNS ONLY
FOUR (ONE OF WHICH BEING SPLIT INTO TWO CAMPAIGNS) OF THOSE
LISTED IN REF. C, THE OTHERS BEING MOVED TO THE NON-CAMPAIGN
INITIATIVE CATEOGORY. WE HAVE ADDED THREE ADDITIONAL SECTORS AS
MAJOR CAMPAIGNS. THUS WE PROPOSE FOR THE FY 1977 CCP EIGHT MAJOR
CAMPAIGNS AND TWELVE NON-CAMPAIGN INITIATIVE ACTIVITES. AS PART
OF OUR IMPLEMENTATION EFFORTS, WE ARE RECOMMENDING TWO CATALOG
SHOWS, TWO TRADE MISSIONS AND ONE IN-STORE PROMOTION, SUBJECT
TO WASHINGTON APPROVAL. MOREOVER, WE PLAN FIVE AMERICAN
BUSINESS DEVELOPMENT DAYS.

C. IT WILL BE NOTED THAT THE MAJOR CAMPAIGNS COVER SEVEN OF
THE NINE PRIORITY TARGET INDUSTRIES LISTED IN REF. A, AND ONE
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MORE WILL BE HANDLED AS A NON-CAMPAIGN INITIATIVE. THE

LATTER CATEGORRY ALSO INCLUDES TWO OF THE FIVE SECONDARY TARGET INDUSTRIES. OTHER SECTORS AND PROGRAMS ARE ALSO GIVEN PRIORITY BECAUSE WE BELIEVE THAT EFFORTS IN THESE AREAS WOULD BE PRODUCTIVE IN THE NETHERLANDS CONTEXT.

D. WE HAVE NOT INCLUDED ANY NON STATE-FUNDED PERSONNEL IN SECTION II, ONLY BECAUSE THE COOPERATIVE ASSISTANCE OF THE PERSONNEL OF USIS AND THE OFFICE OF THE AGRICULTURAL ATTACHE, WHILE SUBSTANTIAL IN THE AGGREGATE, DID NOT INVOLVE ANY INDIVIDUAL EMPLOYEE DEVOTING 20 PERCENT OR MORE HIS TIME TO THE CCP, A CRITERION INDICATED IN REF. A.

2. SECTION I-OVERVIEW

A. THERE ARE SOME SIGNS THAT THE NETHERLANDS MAY BE EMERGING FROM THE RECESSION WHICH STARTED IN THE FALL OF 1974. A MODERATE ECONOMIC RECOVERY IS NOW EXPECTED IN 1976. HOWEVER, THERE IS MUCH CONCERN IN THE BUSINESS COMMUNITY BECAUSE OF THE HEAVY BURDEN OF TAXES AND OTHER COSTS, INCLUDING THE VERY HIGH WAGES, AS WELL AS THE GOVERNMENT'S INCREASED EXPENDITURES, ACCOMPANIED BY SHRINKING REVENUE, WHICH WILL CAUSE A RECORD BUDGETARY DEFICIT IN 1976. THUS COMPETITIVENESS OF DUTCH INDUSTRY MAY BE ADVERSELY AFFECTED IN A COUNTRY IN WHICH MORE THAN HALF OF THE GNP IS DERIVED FROM EXPORTS. DUTCH GOVERNMENT PLANNERS NOW FORESEE A 3.5 PERCENT GROWTH IN THE GNP IN 1976 BUT ALSO AN INFLATION RATE OF ABOUT 10 PERCENT, SLIGHTLY ABOVE THAT OF 1975. THE ABOVE DOES NOT NECESSARILY MEAN LESS U.S. EXPORTS TO THE NETHERLANDS. IN DOLLAR TERMS, OUR SHIPMENTS DURING THE FIRST TEN MONTHS OF 1975, A RECESSION PERIOD, EXCEEDED BY OVER 5 PERCENT THOSE OF THE SAME PERIOD OF 1974 (\$3,435 MILLION AGAINST \$3,270 MILLION). ALSO, THIS COUNTRY'S POSITIVE BALANCE OF PAYMENTS AND THE EXPECTED IMPROVEMENT IN THE ECONOMY OF WEST GERMANY, HOLLAND'S LARGEST CUSTOMER, AND FRANCE SHOULD BE HELPFUL.

B. OUR MAIN COMMERCIAL OBJECTIVES ARE: (1) TO INCREASE U.S. EXPORTS IN ABSOLUTE TERMS AND AS A SHARE OF THE IMPORT MARKET; (2) TO MAINTAIN THE FAVORABLE CLIMATE FOR THE LARGE NUMBER OF AMERICAN INVESTORS IN THIS COUNTRY; (3) TO SECURE GOOD COOPERATION IN THE MTN AND OTHER INTERNATIONAL FORA; AND (4)

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TO ARRIVE AT MUTUALLY SATISFACTORY SOLUTIONS TO POSSIBLE PROBLEMS, SUCH AS THE KLM/PAN AM FREQUENCY QUESTION.

C. OUR COMMERCIAL ACTIVITIES IN THE NETHERLANDS, THE SIXTH

LARGEST EXPORT MARKET OF THE U.S. WILL COVER A LARGE NUMBER OF SECTORS (EIGHT MAJOR CAMPAIGNS PLUS TWELVE NON-CAMPAIGN INITIATIVE ACTIVITIES), AS WELL AS OTHER ACTIONS. THESE

EFFORTS SHOULD MAKE IT POSSIBLE NOT ONLY TO MEET SPECIFICALLY STATED COMMERCIAL OBJECTIVES, BUT GENERALLY TO BUILD ON THE ALREADY FAVORABLE FRAMEWORK IN THE NETHERLANDS.

3. SECTION II-PERSONNEL RESOURCE LIST

(1.)-ALL LISTED PERSONNEL IS STATE-FUNDED.

(1.1) THE HAGUE: E/C COUNSELOR 02; COMMERCIAL COUNSELOR FSRU-3; ECONOMIC COMMERCIAL OFFICER 0-4; ECONOMIC OFFICER 0-6; ASSISTANT COMMERCIAL ATTACHE 0-6; COMMERCIAL OFFICER R-7; SECRETARY FSS-6; SECRETARY FSS-8; SENIOR COMMERCIAL ANALYST L-1; TWO SENIOR COMMERCIAL ASSISTANTS L-3; ECONOMIC ANALYST L-3; ECONOMIC ANALYST L-5; COMMERCIAL ASSISTANT L-5; SECRETARY L-6; CLERK STENO L-7; OFFICE CLERK L-7. TOTAL: 17.

(1.2) AMSTERDAM: COMMERCIAL OFFICER 0-4; SENIOR COMMERCIAL ANALYST L-1; COMMERCIAL ANALYST L-3; SENIOR CLERK STENO L-6; CLERK STENO L-7. TOTAL: 5

(1.3) ROTTERDAM: COMMERCIAL OFFICER 0-4; COMMERCIAL ANALYST L-2; COMMERCIAL ASSISTANT L-3; COMMERCIAL ASSISTANT L-4; CLERK STENO L-6. TOTAL: 5.

(2.)-COUNTRY COMMERCIAL ACTION GROUP (CCAG):

AMBASSADOR/DCM (CHAIRMAN); E/C COUNSELOR; COMMERCIAL COUNSELOR PAO; CONGEN AMSTERDAM; CONGEN ROTTERDAM.

(3.)-WASHINGTON COMMERCIAL ACTION GROUP

PLEASE LIST MEMBERSHIP.

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TO SECSTATE WASHDC PRIORITY 7412

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4. SECTION III-CAMPAIGN/NON-CAMPAIGN INITIATIVE ACTIVITIES

WORKSHEETS:

A. CAMPAIGN NO. 1. PRIORITY RANK: 2. TITLE: CONSUMER GOODS.

CAMPAIGN MANAGERS: COENRAAD VAN DER KNAAP/TIMOTHY C. BROWN.

JUSTIFICATION

WHILE SUBSTANTIAL QUANTITIES OF U.S. CONSUMER GOODS ALREADY BEING SOLD IN NETHERLANDS, OUR EXPORTS COULD BE INCREASED. PRESENT FAVORABLE EXCHANGE RATES, TOGETHER WITH SHARPLY RISING PRICES IN NETHERLANDS, OFFER EXCELLENT OPPORTUNITY TO SUPPLIERS OF AMERICAN CONSUMER GOODS. IN THE PAST, ADDED EXPENSES OF OCEAN FREIGHT AND IMPORT DUTIES MADE U.S. CONSUMER GOODS IN MOST CASES LESS COMPETITIVE. HOWEVER, THIS FACTOR NOT AS SIGNIFICANT NOW. FAMILIARIZATION OF DUTCH BUYERS WITH A WIDE RANGE OF U.S. CONSUMER GOODS IS URGENTLY NEEDED SINCE MOST BUYERS IN THIS FIELD ARE NOT SUFFICIENTLY AWARE OF CURRENT PROFITABLE POSSIBILITIES.

U.S. SALES OF CONSUMER GOODS TO NETHERLANDS IN CY 1975 WERE ABOUT \$300 MILLION AND COULD REACH \$375 MILLION DURING FY 77. THIS IS STILL LESS THAN ONE HALF OF ONE PERCENT OF TOTAL CONSUMPTION, ALTHOUGH ABOUT 4 PERCENT OF TOTAL IMPORTS. DOMESTIC MANUFACTURERS PROVIDE ABOUT 89 PERCENT OF TOTAL CONSUMPTION. MAJOR IMPORTS COME FROM WEST GERMANY, ABOUT 40 PERCENT; FRANCE, 24 PERCENT; AND ITALY, 8 PERCENT.

CAMPAIGN HIGHLIGHTS

FAMILIARIZATION OF DUTCH IMPORTERS AND LARGE RETAILERS WITH WIDE RANGE OF AMERICAN CONSUMER GOODS; PROMOTION OF UNCLASSIFIED

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VISIT OF EXECUTIVES OF LEADING NON-FOOD IMPORTING FIRMS, DEPARTMENT STORES, AND LARGE RETAIL CHAINS TO PRINCIPAL U.S. EXHIBITIONS, BY GROUP TOURS WHEN POSSIBLE; DO 19 SUB-SECTORIAL MAILINGS, TIED TO TRADE EVENTS WHEN POSSIBLE, AND DESIGNED TO DEVELOP EXPANDED UNIVERSES FOR THESE PRODUCTS AND TO ASCERTAIN MOST PROMISING AREAS FOR FURTHER PROMOTION.

MISSION PERSONNEL REQUIREMENTS

FSO-25, FSL-105, FSL (CLERICAL)-35; TOTAL -165.

CAMPAIGN FINANCIAL REQUIREMENTS

TRAVEL-\$600, REPRESENTATION-\$200, PRINTING AND MAILING-\$300; TOTAL- \$1,100.

ACTIONS/MILESTONES/ACCOMPLISHMENT

1. MAKE PERSONAL CALLS ON LEADING IMPORTERS OF CONSUMER GOODS: 10; 20; 30; 40.

2. MAKE PERSONAL CALLS ON TRADE ORGANIZATIONS: 3; 6; 9; 12.

3. CONDUCT PRICE AND QUALITY SURVEY OF COMPARABLE CONSUMER GOODS IN MEDIUM AND LARGE RETAIL OPERATIONS: CHECKMARK; THREE BLANKS.

4. PROMOTE VISIT OF NATIONAL HOUSEWARES EXHIBITION AND TRANSWORLD VARIETY EXHIBIT, CHICAGO: CHECKMARK; BLANK; CHECKMARK; BLANK.

5. REVISE AND EXTEND UNIVERSE LISTS FOR EACH OF 19 SUB-SECTORS WITHIN CONSUMER GOODS SECTOR; FOUR CHECKMARKS.

6. CONDUCT ONE TOP SOLICITATION FOR EACH PROMISING CONSUMER GOODS SUB-SECTOR: FOUR CHECKMARKS.

7. VISITS TO PUBLISHERS OF DUTCH TRADE MAGAZINES IN THE FIELD: 1; 2; 3; 4.

8. CONTINUE CONTACT WITH PUBLISHERS OF AMERICAN TRADE MAGAZINES IN THE NON-FOOD BUSINESS TO SECURE SUBSTANTIAL NUMBER OF SAMPLE COPIES FOR DISTRIBUTION TO POTENTIAL SUBSCRIBERS AMONG NON-FOOD IMPORTERS AND RETAIL CHAINS: CHECKMARK; UNCLASSIFIED

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THREE BLANKS.

9. DEVELOP AND ADMINISTER ONE IN-STORE PROMOTIONAL CAMPAIGN WITH A MAJOR RETAILING FIRM: FOUR CHECKMARKS.

10. PROMOTE FOREIGN BUYER TRIPS FOR AT LEAST TWO KEY RETAIL EXECUTIVES FROM MAJOR CHAINS: CHECKMARK; BLANK; CHECKMARK; BLANK.

1. UPDATE 19 SUB-SECTORIAL SURVEYS: 5; 10; 15; 19.

12. PREPARE ANALYTICAL REPORTS FOR WASHINGTON AS WARRANTED: FOUR CHECKMARKS.

B. CAMPAIGN NO. 2. PRIORITY RANK: 3. TITLE: COMPUTERS AND RELATED EQUIPMENT (COORDINATED WITH BUSINESS EQUIPMENT).

CAMPAIGN MANAGERS: COENRAAD VAN DER KNAAP/TIMOTHY C. BROWN.

JUSTIFICATION

NETHERLANDS IMPORT FIGURES ON COMPUTERS AND RELATED EQUIPMENT ARE ENCOURAGING. THEY REACHED \$222 MILLION IN CY 1974 AND CONTINUED NEAR THIS LEVEL IN CY 1975. ASSUMING ECONOMIC RECOVERY, IMPORTS DURING FY 1977 SHOULD BE MUCH HIGHER. U.S. MARKET SHARE REACHED 32 PERCENT AND COULD GROW FURTHER WITH ADEQUATE PROMOTIONAL EFFORTS.

MAJOR COMPETITION IS FROM WEST GERMANY WITH 22 PERCENT OF THE IMPORT MARKET, FRANCE WITH 18 PERCENT AND U.K. WITH 13 PERCENT. IMPORTS ACCOUNT FOR ABOUT TWO-THIRDS OF CONSUMPTION, THE REMAINDER BEING SUPPLIED FROM LOCAL PRODUCTION (PHILIPS ALMOST EXCLUSIVELY). MAINFRAMES AND DATA SYSTEMS ARE ESPECIALLY IMPORTANT TO U.S.

WITH INCREASED USE OF EDP EQUIPMENT BY BUSINESS, BANKING, INDUSTRY, AND GOVERNMENT AGENCIES, COMPUTERS AND BUSINESS SYSTEMS ARE TENDING TO MERGE INTO A CONTINUUM. GIVING INCREASING OVERLAPPING AT TRADE EVENTS, WE INTEND TO COORDINATE PROMOTIONAL EFFORTS IN BOTH FIELDS.

CAMPAIGN HIGHLIGHTS

THE AMSTERDAM CONGEN HAS OBTAINED PERMISSION TO HAVE A BOOTH AT THE EFFICIENCY EXHIBITION IN AMSTERDAM, OCTOBER 1976. WE STRONGLY RECOMMEND USG PARTICIPATION WITH A CATALOG BOOTH (AIRGRAM FOLLOWS). WE WILL ALSO PROMOTE GROUP/CHARTER FLIGHTS TO SELECTED COMPUTER/BUSINESS EQUIPMENT EVENTS BOTH IN EUROPEAN USTC'S AND USA, INCLUDING NATIONAL COMPUTER CONFERENCE

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IN THE U.S. ALSO WE WILL CONTINUE TO FOLLOW EEC AS WELL AS GOVERNMENT PROCUREMENT DEVELOPMENTS IN THIS SECTOR.

MISSION PERSONNEL REQUIREMENTS

FSO-20, FSL-45, FSL (CLERICAL)-20; TOTAL-85.

CAMPAIGN FINANCIAL REQUIREMENTS

TRAVEL-\$150, REPRESENTATION-\$250, PRINTING AND MAILING-\$150; TOTAL-\$550.

ACTIONS/MILESTONES/ACCOMPLISHMENT

1. REVIEW AND EXPAND UNIVERSE LIST OF IMPORTERS/AGENTS AND END-USERS: CHECKMARK; THREE BLANKS.

2. IF APPROVED BY WASHINGTON ORGANIZE CATALOG SHOW AT EFFICIENCY FAIR, AMSTERDAM, AND FOLLOW-UP VISITS TO BUSINESSMEN WHO SHOWED INTEREST IN IT: CHECKMARK; BLANK; CHECKMARK; BLANK.

3. RECEPTION BY AMBASSADOR OR DCM TO SUPPORT CATALOG SHOW: CHECKMARK; THREE BLANKS.

4. FINAL ARRANGMENTS WITH TOUR OPERATOR AND IMPLEMENTATION OF GROUP FLIGHT TO NATIONAL COMPUTER CONFERENCE, AS WELL AS FOLLOW-UP: TWO CHECKMARKS; TWO BLANKS.

5. PERSONAL CALLS ON LEADING IMPORTERS AND USERS OF EDP
EQUIPMENT: 5; 10; 15; 20.

6. PERSONAL CALL ON DIRECTOR RIJSKANTOORMACHINE CENTRALE,
AGENCY RESPONSIBLE FOR ADVISING GOVERNMENT ON OFFICE EQUIPMENT
PURCHASES: BLANK; CHECKMARK; TWO BLANKS.

7. PROMOTION OF 1977 ACCOUNTING SHOW AND CONFERENCE AMONG
CPA'S COMPTROLERS, FINANCE MANAGERS OF BANKS, GOVERNMENT, AND
LARGE COMPANIES: TWO CHECKMARKS; TWO BLANKS.

8. PROMOTION OF GROUP VISIT TO SYSTEMS '77 EXHIBITION: TWO
BLANKS; TWO CHECKMARKS.

9. CALLS ON EDITORS OF THREE MAIN TRADE PUBLICATIONS IN THIS
FIELD. VISIT TO "VIFKA" ASSOCIATION TO SECURE ITS COOPERATION
TO GENERATE INTEREST IN OUR ACITIVITIES BY ITS MEMBERS.

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C. CAMPAIGN NO. 3. PRIORITY RANK: 4. TITLE: BUSINESS EQUIP-
MENT AND SYSTEMS (COORDINATED WITH COMPUTERS). CAMPAIGN
MANAGERS: JETZE DE VRIES/TIMOTHY C.BROWN.

JUSTIFICATION

BUSINESS EQUIPMENT AND SYSTEMS ARE A BOOMING SECTOR IN NETHER-
LANDS AS COMMERCIAL FIRMS AND OTHER ORGANIZATIONS ATTEMPT
INCREASINGLY TO PROCESS DATA WHILE SAVING ON VERY EXPENSIVE
LABOR. CONSUMPTION IN 1975 WAS ESTIMATED AT \$245 MILLION WITH

THE U.S. SUPPLYING ABOUT 20 PERCENT OF IMPORTS, ESTIMATED AT \$125 MILLION. MAJOR COMPETITORS ARE U.K. WITH 38 PERCENT OF IMPORTS AND WEST GERMANY WITH 22 PERCENT. DOMESTIC SUPPLIERS PROVIDE ABOUT 48 PERCENT OF LOCAL CONSUMPTION AND PRODUCE AN ADDITIONAL \$250 MILLION WORTH FOR EXPORT.

AS "ELECTRONIC MANAGMENT" AND DEMAND FOR DETAILED AND QUICKLY AVAILABLE DATA INCREASES, MORE BUSINESS SYSTEMS BEGIN TO DEPEND ON COMPUTER TECHNOLOGY. GIVING INCREASING OVERLAPPING OF THESE TWO SECTORS, CAMPAIGNS WILL BE CLOSELY COORDINATED.

CAMPAIGN HIGHLIGHTS

AMSTERDAM CONGEN HAS OBTAINED PERMISSION TO HAVE A BOOTH AT EFFICIENCY EXHIBITION, AMSTERDAM, OCTOBER 1976 (SEE AMSTERDAM A-41, NOVEMBER 11, 1974, AND AIRGRAM WHICH FOLLOWS). WE STRONGLY RECOMMEND USG PARTICIPATION WITH CATALOG BOOTH. UNCLASSIFIED

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IN ADDITION, WE WILL PROMOTE GROUP/CHARTER FLIGHTS TO SELECTED COMPUTER/BUSINESS EQUIPMENT EVENTS, INCLUDING NATIONAL COMPUTER CONFERENCE IN U.S.

MISSION PERSONNEL REQUIREMENTS

FSO-25, FSL-35, FSL (CLERICAL)-20; TOTAL-80.

CAMPAIGN FINANCIAL REQUIREMENTS

TRAVEL-\$250, REPRESENTATION-\$250, PRINTING AND MAILING-\$300; TOTAL-\$800, PLUS ESTIMATED COST FOR CATALOG SHOW AT EFFICIENCY EXHIBITION.

ACTIONS:MILESTONES/ACCOMPLISHMENT

1. REIVEW AND REVISE UNIVERSE LISTS OF IMPORTERS/AGENTS AND END-USERS; CHECKMARK; THREE BLANKS.
2. PROMOTION AND PARTICIPATION WITH CATALOG BOOTH AT EFFICIENCY FAIR, INCLUDING TOP SOLITTITATION FROM DUTCH PARTICPANTS: TWO CHECKMARKS; TWO BLANKS.
3. PERSONAL CALLS ON LEADING IMPORTERS AND OTHERORGANIZATIONS: 5; 10; 15; 20.
4. PROMOTION OF 1977 ACCOUNTING SHOW AND CONFERENCE AMONG IMPORTERS/AGENTS: TWO CHECKMARKS; TWO BLANKS.
5. CALL ON DIRECTOR OF RIJFSKANTOORMACHINE CENTRALS: THREE BLANKS; CHECKMARK.

D. CAMAPIGN NO. 4. PRIORITY RANK: 6. TITLE: POLLUTION CONTRO
INSTRUMENTATION AND EQUIPMENT. CAMPAIGN MANAGERS:

COMMERCIAL ANALYST/GUIDO C. FENZI.

JUSTIFICATION

WE ANTICIPATE AN INCREASING DEMAND FOR THESE PRODUCTS AS DUTCH
POLLUTION CONTROL LEGISLATION TAKES EFFECT. THERE IS STIFF
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COMPETITION FROM LOCAL FIRMS, AS WELL AS FROM SEVERAL EUROPEAN
COUNTRIES. HOWEVER, MANY AMERICAN PRODUCTS HAVE A TECHNOLOGICAL
LEAD AND THE U.S. IS ALREADY THE SOURCE OF OVER 15 PERCENT OF
IMPORTS, SECOND ONLY TO WEST GERMANY AS A SUPPLIER.

CAMAPGIN HIGHLIGHTS

COMBINED SPECIALIZED TRADE MISSION AND SEMINAR; EXPANDED TOP
SOLICITATION.

MISSION PERSONNEL REQUIREMENTS

FSO-30, FSL-45, FSL(CLERICAL)-20; TOTAL-95.

CAMAPGIN FINANCIAL REQUIREMENTS

TRAVEL-\$150, REPRESENTATION-\$100, PRINTING AND MAILING-
\$250; TOTAL: \$500.

ACTIONS/MILESTONES ACCOMPLISHMENT

1. EXTENSIVE PROMOTION AND ASSISTANCE TO RECOMMENDED
COMBINED SPECIALIZED TRADE MISSION AND SEMINAR, IF APPROVED
BY WASHINGTON (AIRGRAM FOLLOWS): TWO BLANKS; CHECKMARK; BLANK.

2. EXTENDED TOP SOLICITATION CAMAPGIN (LOCAL RESPONSE TO
SPRING 1975 TO CAMPAIGN WAS EXCELLENT. HOWEVER, REPLIES FROM
AMERICAN FIRMS DISAPPOINTING IN NUMBERS AND QUALITY. HOPE
REPEATED EFFORT IN FY 77 WILL GENERATE BETTER U.S.
RESPONSE AFTER USDOC PROMOTION TIS SECTOR); BLANK; TWO CHECK-
MARKS; BLANK.

3. PROMOTION OF DUTCH ATTENDANCE AT U.S. TRADE SHOWS WITH
SPECIAL EMPHASIS ON THOSE INCLUDED IN FOREIGN BUYER PROGRAM.
EVENTS OF POSSIBLE INTEREST INCLUDE: INTERNATIONAL POLLUTION
ENGINEERING CONGRESS, INTERNATIONAL WASTE EQUIPMENT AND
TECHNOLOGY EXPOSITION, AND ANNUAL MEETING OF AIR POLLUTION
CONTROL ASSOCIATION; CHECKMARK; BLANK; CHECKMARK; BLANK.

4. PROMOTION OF DUTCH ATTENDANCE AT EVENTS IN USTC'S IN
EUROPE (SCHEDULE NOT YET AVAILABLE).
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E. CAMPAIGN NO 5. PRIORITY RANK: 8. TITLE: LABORATORY
INSTRUMENTS. CAMAPING MANAGERS: PETRONELLA VAN GORKOM/
BENOIT O. BROOKENS.

JUSTIFICATION

NETHERLANDS IS CENTER OF WORLD WIDE INDUSTRIAL RESEARCH
ACTIVITIES. BESIDES GOVERNMENT'S INCREASING EXPENDITURES ON
R&D, PARTICULARLY IN THE ENVIRONMENTAL POLLUTION FIELD,
RESEARCH-INTENSIVE INDUSTRIES (CHEMICAL, PETROCHEMICAL,
PROCESSED FOODS, AEROSPACE) ARE PREDOMINANT IN THIS COUNTRY.
MARKET FOR LABORATORY INSTRUMENTS HAS SHOWN HIGH SALES GROWTH,
JUMPING FROM \$36 MILLION IN 1972 TO \$66 MILLION IN 1974,
A RISE OF 80 PERCENT. THIS TREND IS EXPECTED TO CONTINUE TO
AN ESTIMATED MARKET SIZE OF \$114 MILLION BY 1979. IMPORTS
EXCEEDED \$33 MILLION IN 1974, OF WHICH THE U.S. SHARE WAS
\$9 MILLION (14 PERCENT OF CONSUMPTION AND 27 PERCENT OF
IMPORTS). U.S. EXPORTS OF PARTS FOR LOCAL ASSEMBLY AND FOR
U.S. TYPE INSTRUMENTS MANUFACTURED BY AMERICAN SUBSIDIARIES
IN EUROPE, ARE ALSO SUBSTANTIAL. OUR BIGGEST COMPETITOR IS
WEST GERMANY WITH ONE-THIRD OF TOTAL IMPORTS. DUTCH SUPPLIERS
HAVE BEEN INCREASING PRODUCTION AND THEIR SHARE OF CONSUMPTION,
BUT NEED FOR SIZEABLE IMPORTS WILL CONTINUE.

CAMPAIGN HIGHLIGHTS

PTO SOLICITATION CAMPAIGN; VISITS TO IMPORTERS, USERS AND
GOVERNMENT ORGANIZATIONS; AND POSSIBLY AN AMERICAN BUSINESS
DEVELOPMENT DAY AT HET INSTRUMENT, AMSTERDAM, IN SEPTEMBER
1977.

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MISSION PERSONNEL REQUIREMENTS

FSO-25, FSL-25, FSL (CLERICAL)-15; TOTAL-65.

CAMPAIGN FINANCIAL REQUIREMENTS

TRAVEL-\$150, REPRESENTATION-\$100, PRINTING AND MAILING-\$200; TOTAL-\$450.

ACTIONS/MILESTONES/ACCOMPLISHMENT

1. REVIEW AND UPDATING OF UNIVERSE LISTS: CHECKMARK, THREE BLANKS.
2. TO SOLICITATION CAMPAIGN BY LETTERS, TELEPHONE CALLS AND PERSONAL VISITS: FOUR CHECKMARKS.
3. ATTEMPT TO SECURE ONCE MORE FACILITIES, POSSIBLY AT NO COST TO USG, FOR AMERICAN BUSINESS DEVELOPMENT DAY AT HET INSTRUMENT, AMSTERDAM, SEPTEMBER 1977; THREE BLANKS; CHECKMARK.
4. PROMOTION OF DUTCH ATTENDANCE AT USTC EVENTS IN EUROPE (SCHEDULE NOT YET AVAILABLE).

F. CAMPAIGN NO. 6. PRIORITY RANK: 9. TITLE: FOOD PROCESSING AND PACKAGING EQUIPMENT. CAMPAIGN MANAGERS: ABRAHAM GROEN/GUIDO C. FENZL.

JUSTIFICATION

FOOD PROCESSING IS A MAJOR INDUSTRY IN THE NETHERLANDS. SALES OF PROCESSED FOOD PRODUCTS (INCLUDING EXPORTS) WERE OVER \$2000 MILLION IN 1974. IMPORTS OF FPP EQUIPMENT EXCEEDED \$165 MILLION IN 1974. THE U.S. WAS SECOND LARGEST SUPPLIER WITH 14 PERCENT OF IMPORTS, OUR MACOMPETITOR
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BEING WEST GERMANY WITH 55 PERCENT. HOWEVER, THE U.S. HAS BEEN INCREASING ITS MARKET SHARE IN RECENT YEARS AND WE BELIEVE THAT DESPITE THE STRONG COMPETITION FROM LOCAL FIRMS AND WEST GERMANY, WE COULD EXPAND OUR EXPORTS, ESPECIALLY ADVANCED TECHNOLOGY FPP EQUIPMENT, PROVIDING AMERICAN COMPANIES THEMSELVES SET UP ADEQUATE PARTS AND SERVICE FACILITIES, OR THROUGH SELECTION OF APPROPRIATE AGENTS/DISTRIBUTORS.

CAMPAIGN HIGHLIGHTS

SPECIALIZED U.S. TRADE MISSION; PTO SOLICITATION; AND
PROMOTION OF DUTCH ATTENDANCE AT TRADE SHOWS IN U.S. AND
USTC'S IN EUROPE.

MISSION PERSONNEL REQUIREMENTS

FSL-25, FSL-40, FSL (CLERICAL)-20; TOTAL -85.

CAMPAIGN FINANCIAL REQUIREMENTS

TRAVEL-\$150, REPRESENTATION-\$100, PRINTING AND MAILING-
\$200; TOTAL \$450.

ACTIONS/MILESTONES/ACCOMPLISHMENT

1. PROMOTION AND ASSISTANCE TO SPECIALIZED TRADE MISSION, IF
APPROVED BY WASHINGTON (AIRGRAM FOLLOWS): TWO CHECKMARKS; TWO
BLANKS.

2. TOP SOLICITATION CAMPAIGN BY LETTERS, TELEPHONE CALLS,
AND PERSONAL VISITS: TWO BLANKS; CHECKMARK; BLANK.

3. PROMOTE DUTCH ATTENDANCE AT U.S. TRADE SHOWS WITH SPECIAL
EMPHASIS ON ANY INCLUDED IN FOREIGN BUYER PROGRAM. SHOWS OF
INTEREST INCLUDE: NATIONAL EXPOSITION FOR FOOD PROCESSORS,
DAIRY EXPOSITION; FISH EXPO: TWO CHECKMARKS, BLANK; CHECKMARK.

4. PROMOTE DUTCH ATTENDANCE AT EVENTS OF USTC'S IN EUROPE
(SCHEDULE NOT YET AVAILABLE).

G. CAMPAIGN NO. 7. PRIORITY RANK: 10. TITLE: ENERGY SYSTEMS.
CAMPAIGN MANAGERS: FRANK R. BAULING/JOHN C. HOLZMAN.

JUSTIFICATION

THE 1973 ENERGY CRISIS HAS CAUSED THE DUTCH GOVERNMENT TO
REVISE ITS ENERGY POLICY WITH THE AIM OF DIVERSIFYING ITS
SOURCES OF ENERGY AND OF CONSERVING ITS NATURAL GAS FIELDS
AS A "STRATEGIC NATURAL GAS RESERVE" AND ALSO AS A SOURCE OF
FOREIGN CURRENCY BY INCREASING ITS GAS EXPORTS. CURRENTLY,
GAS ACCOUNTS FOR ABOUT 85 PERCENT OF THE FUEL USED IN THE
DOMESTIC ELECTRIC UTILITY INDUSTRY. THE GOVERNMENT IS
ENCOURAGING THE ELECTRIC UTILITY COMPANIES TO CONVERT FROM
GAS TO OIL AND COAL AS FUELS. IN ADDITION, THE CONTINUING
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SEARCH FOR OIL AND NATURAL GAS IN THE NORTH SEA AS WELL AS
INCREASING PRODUCTION FROM CURRENT DISCOVERIES WILL INCREASE
THE DEMAND FOR DRILLING EQUIPMENT AND OFF SHORE SUPPLIES, AS
WELL AS A VARIETY OF MAJOR EQUIPMENT AND OTHER PRODUCTS.
COMPETITION IN THIS SECTOR IS FROM THE DUTCH INDUSTRY ITSELF,
WEST GERMANY AND THE U.K. CAPITAL EXPENDITURES BY THE ELECTRIC
INDUSTRY ALONE IS EXPECTED TO AMOUNT TO ABOUT \$1 BILLION ON AN
ANNUAL BASIS FOR SEVERAL YEARS. U.S. EXPORTS OF ENERGY SYSTEMS
TO THE NETHERLANDS HAVE SHOWN A CONTINUING GROWTH JUMPING FROM
\$20 MILLION IN 1970 TO \$32 MILLION IN 1974.

THE CONSTRUCTION OF THREE NUCLEAR PLANTS, AT AN ESTIMATED COST
OF \$1.3 BILLION, IS STILL THE SUBJECT OF CONTROVERSY. AFTER A
PERIOD OF UNCERTAINTY AND SOME CONFUSION, THE CABINET FINALLY
DECIDED ON JANUARY 16, 1976, CONTRARY TO PREVIOUS INDICATIONS,
TO LEAVE THE DECISION TO THE NEXT CABINET (ELECTIONS ARE

SCHEDULED FOR 1977). WE WILL CONTINUE TO FOLLOW DEVELOPMENTS AND REPORT TO WASHINGTON.

U.S. TECHNOLOGICAL ADVANTAGE IN THE ENERGY FIELD IS WELL RECOGNIZED AND THE DEMAND FOR AMERICAN GOODS AND SERVICES SHOULD CONTINUE TO GROW NOTWITHSTANDING THE COMPETITION.

CAMPAIGN HIGHLIGHTS

TOP SOLICITATION CAMPAIGN; ORGANIZE GROUP CHARTER FLIGHTS TO OFFSHORE TECHNOLOGY EXHIBITION; PROMOTE DUTCH ATTENDANCE AT EVENTS OF USTC'S IN EUROPE.

MISSION PERSONNEL REQUIREMENTS

FSO-25, FSL-35, FSL (CLERICAL)-25; TOTAL-75.

CAMPAIGN FINANCIAL REQUIREMENTS

TRAVEL-\$250, REPRESENTATION-\$200, PRINTING AND MAILING-\$300; TOTAL-\$750

ACTIONS/MILESTONES/ACCOMPLISHMENT

1. REVIEW AND EXPAND OUR UNIVERSE LISTS, INCLUDING KEY GOVERNMENT OFFICIALS: CHECKMARK; THREE BLANKS.
2. MAKE PERSONAL CALLS ON GOVERNMENT OFFICIALS AND KEY EXECUTIVES: 10; 20; 25; 35.
3. TOP SOLICITATION FOR OFFSHORE DRILLING AND OTHER EQUIPMENT: 5; 10; 15; 20.
4. ORGANIZE AND CARRY OUT AMERICAN BUSINESS DEVELOPMENT DAY AT ELECTROTECHNIEK TRADE FAIR, UTRECHT, OCTOBER 1976; TWO CHECKMARKS; TWO BLANKS.
5. ORGANIZE A FOREIGN BUYER GROUP CHARTER FLIGHT TO OFFSHORE TECHNOLOGY EXHIBITION, HOUSTON, SCHEDULED IN MAY 1977; BLANK; UNCLASSIFIED

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TWO CHECKMARKS; BLANK.

6. ENCOURAGE DUTCH ATTENDANCE AT USTC'S IN EUROPE (SCHEDULE NOT YET AVAILABLE).

H. CAMPAIGN NO. 8. PRIORITY RANK: 11. TITLE: BUILDING AND CONSTRUCTION EQUIPMENT AND SUPPLIES (INCLUDING HARDWARE AND DO-IT-YOURSELF).

JUSTIFICATION

DUTCH BUILDING INDUSTRY MORE DEPRESSED THAN MOST OTHERS DURING PRESENT RECESSION. ALTHOUGH IMPROVEMENT WAS RECENTLY NOTED, RECOVERY WILL BE RATHER SLOW. HOWEVER, THERE IS GOOD LOCAL INTEREST IN AMERICAN PRODUCTS IN THIS SECTOR, PARTICULARLY LUMBER DUE TO FACT THAT SCANDINAVIAN PRICES HAVE BEEN INCREASING MORE RAPIDLY THAN OURS, AND IN DO-IT-YOURSELF TOOLS AND MATERIALS THE LATTER BECAUSE OF RAPID ESCALATION OF WAGES IN BUILDING TRADES WHICH HAS LED INCREASING NUMBER OF DUTCH HOME OWNERS TO DO OWN ALTERNATIONS AND MAINTENANCE.

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CAMPAIGN HIGHLIGHTS

WE RECOMMEND A USG-SPONSORED CATALOG BOOTH AT DUTCH DO-IT-YOURSELF TRADE SHOW "KARWEI" (SEE ROTTERDAM 28); SYSTEMATIC VISITS OF DUTCH PROFESSIONAL AND TRADE ASSOCIATIONS, AS WELL AS IMPORTERS TO PROMOTE U.S. EXPORTS.

MISSION PERSONNEL REQUIREMENTS
FSO-25, FSL-45, FSL (CLERICAL)-20; TOTAL-90.

CAMPAIGN FINANCIAL REQUIREMENTS
TRAVEL -\$200, REPRESENTATION-\$100, PRINTING AND MAILING-\$250; TOTAL-\$550, PLUS COST OF PARTICIPATION IN KARWEI.

ACTIONS/MILESTONES/ACCOMPLISHMENT

1. PROMOTION AND MANNING OF USG CATALOG BOOTH AT KARWEI '77, IF APPROVED BY WASHINGTON: TWO CHECKMARKS; TWO BLANKS.
2. SYSTEMATIC PROGRAM OF VISITS TO DUTCH PROFESSIONAL AND TRADE ORGANIZATIONS, AND MAJOR IMPORTERS: FOUR CHECKMARKS.
3. PROMOTE DUTCH ATTENDANCE AT U.S. TRADE SHOWS WITH SPECIAL EMPHASIS ON ANY INCLUDED IN FOREIGN BUYER PROGRAM. EVENTS OF INTEREST INCLUDE: NATIONAL HARDWARE SHOW, NATIONAL BUILDING SHOW, AND CONCRETE INDUSTRIES EXPOSITION: TWO CHECKMARKS; BLANK; CHECKMARK.

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4. PROMOTE DUTCH ATTENDANCE AT EVENTS AT USTC'S IN EUROPE
(SCHEDULE NOT YET AVAILABLE).

5. SECTION III. NON-CAMPAIGN INITIATIVE ACTIVITIES

WORKSHEETS:

A. ACTIVITY NO. 1. PRIORITY RANK: 1. SECTORIAL APPROACH
TO TRADE PROMOTION.

TO ENABLE THE COMMERCIAL STAFF TO PLAN AND MORE EFFICIENTLY
DIRECT ITS EFFORTS TO MAXIMIZE U.S. EXPORTS IN AS MANY SECTORS
AS POSSIBLE, A PROGRAM HAS BEEN ESTABLISHED TO OBTAIN AND
EXPAND PREVIOUSLY LACKING BASIC AND CURRENT INFORMATION AND
STATISTICS ON 82 SECTORS AND SUB-SECTORS. SPECIFIC
RESPONSIBILITIES WERE ASSIGNED TO FSO'S AND FSL'S OF COMMERCIAL
SECTIONS IN THE HAGUE, AMSTERDAM AND ROTTERDAM (SEE THE HAGUE
COMAFF MEMO NO. 8, OCTOBER 10, 1975). PROGRESS HAS BEEN MADE
AND WE HOPE TO COMPLETE THE FIRST PHASE BEFORE FY 77.

ACTIONS TO BE TAKEN:

- A.) REVIEW AND UPDATE SECTORIAL FIELDS.
- B.) ESTABLISH PRIORITIES AS RESULT OF REVIEW.
- C.) CONTINUE AND EXPAND CONTACTS WITH TRADE ASSOCIATIONS,
GOVERNMENT OFFICIALS, AND BUSINESSMEN.
- D.) GENERATE TO'S.
- E.) PREPARE REPORTS, WITH SUGGESTIONS, FOR WASHINGTON AS
WARRANTED.

B. ACTIVITY NO. 2. PRIORITY RANK: 5. F-16 PLANE FOLLOW-ON.
THE NETHERLANDS IS PARTICIPATING IN THE FIVE NATION F-16
FIGHTER AIRCRAFT PROJECT. UNDER THIS PROGRAM, MORE THAN
\$700 MILLION IN CONTRACTS WILL BE LET BY THE AMERICAN
MANUFACTURERS TO DUTCH INDUSTRY. BECAUSE PRODUCTION OF THE
F-16 INVOLVES VERY ADVANCED TECHNOLOGY AND BEAUSE EUROPEAN
CONTRACTORS MUST BE "REASONABLY COMPETITIVE" WITH THEIR
AMERICAN COUNTERPARTS, WE EXPECT THAT DUTCH INDUSTRY WILL
PURCHASE A SUBSTANTIAL PART OF ITS TOOLING AND MANY OF THE
COMPONENTS IN THE U.S. FINAL CONTRACTS FOR EUROPEAN PRODUCTION
ARE EXPECTED TO BE SIGNED IN THE SUMMER OF 1976 AND THE PROCESS
OF TOOLING UP FOR PRODUCTION SHOULD BEGIN SHORTLY THEREAFTER.
THEREFORE, IN LATE FY 76 AND EARLY FY 77 THERE SHOULD BE
SUBSTANTIAL EXPORT OPPORTUNITIES FOR AMERICAN FIRMS IN THE
AEROSPACE INDUSTRY.

ACTIONS TO BE TAKEN:

- A.) CONTINUE AND EXPAND CONTACTS WITH EXECUTIVES OF AMERICAN
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FIRMS PARTICIPATING IN F-16 PROGRAM.

- B.) CONTINUE PERSONAL CALL CAMPAIGN TO STRENGTHEN OUR
CONTRACTS WITH THE PARTICIPATING DUTCH FIRMS FOR PURPOSE
OF IDENTIFYING THEIR NEEDS AND PROMOTING PURCHASE FROM
AMERICAN COMPANIES.

- C.) INCREASE FAMILIARITY OF THESE LARGE DUTCH FIRMS WITH

USG COMMERCIAL SERVICES, PARTICULARLY TOP AND EXIMBANK FINANCING.

D.) IDENTIFY LIKELY AREAS OF INCREMENTAL U.S. EXPORTS.

E.) MONITOR AND REPORT ON DEVELOPMENTS IN THE F-16 PROGRAM AS WARRANTED.

F.) ASSISTANCE, AS REQUIRED, TO AMERICAN COMPANIES WITH THEIR DUTCH COUNTERPARTS AND INTERVENTION AS NEEDED WITH THE DUTCH GOVERNMENT.

C. ACTIVITY NO. 3. PRIORITY RANK: 7. ASSISTANCE TO USTC'S IN EUROPE.

WE BELIEVE USTC'S ARE EXCELLENT TOOLS FOR TRADE PROMOTION. WE HAVE ALREADY ESTABLISHED A PLAN TO EXPAND OUR SUPPORT TO MAJOR EVENTS AT THE FRANKFURT, LONDON AND PARIS USTOC'S (SEE THE HAGUE 5219, OCTOBER 14, 1975) WHICH HAS MET WITH THE APPROVAL OF THE USTC DIRECTORS. WE HOPE THAT THE PROGRAM FY 77 TO ENSURE OUR TIMELY RECEIPT OF INFORMATION AND DOCUMENTS TO AFFORD US ENOUGH TIME TO MAXIMIZE DUTCH ATTENDANCE AT THESE EVENTS.

ACTIONS TO BE TAKEN:

A.) CONTINUE AND IMPROVE CLOSE COORDINATION WITH COMMERCE AND USTC'S TO OBTAIN AS EARLY AS POSSIBLE NAMES OF EXHIBITORS, THE NATURE OF THEIR PRODUCTS, AND WHETHER EXHIBITORS ARE SEEKING AGENTS IN THE NETHERLANDS.

B.) IDENTIFY AND CATEGORIZE TRADE CENTER SHOWS ACCORDING TO TYPE OF SUPPORT THAT WE WILL ATTEMPT TO PROVIDE, SINGLY OR IN COMBINATION, I.E., CHARTER FLIGHTS, PERSONAL CALLS, MAILING OF MATERIAL, ETC.

C.) INFORM USTC'S AND PROVIDE TYPE OF SUPPORT APPROPRIATE FOR DESIGNATED EVENTS.

D.) FOLLOW UP WITH IDENTIFIED DUTCH VISITORS TO USTC EVENTS TO LEARN OF THEIR REACTIONS AND RESULTS, AND TO OFFER ADDITIONAL ASSISTANCE AS WARRANTED.

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D. ACTIVITY NO. 4. PRIORITY RANK: 12. PRINTING AND GRAPHIC ARTS EQUIPMENT.

THE PRINTING AND GRAPHIC ARTS EQUIPMENT MARKET FOR IMPORTS IN THE NETHERLANDS GREW APPROXIMATELY 50 PERCENT BETWEEN 1972 AND 1974 WHEN IMPORTS REACHED ABOUT \$75 MILLION. THIS MARKET IS ALL THE MORE IMPORTANT BECAUSE THERE IS CURRENTLY LITTLE LOCAL MANUFACTURING. HOWEVER, THE 1975 RECESSION LED TO A DROP IN IMPORTS TO ABOUT \$65 MILLION. U.S. EXPORTS OF PRINTING AND BOOKBINDING EQUIPMENT AND PARTS INCREASED SUBSTANTIALLY FROM \$10.5 MILLION IN 1973 TO \$16 MILLION IN 1974. THUS OUR SHARE OF THE MARKET HAS BEEN INCREASING. OUR STRONGEST COMPETITOR IS WEST GERMANY, BUT ITS SHARE OF THE

MARKET HAS DROPPED FROM 60 PERCENT IN 1972 TO 41 PERCENT IN 1975.

ASSUMING ECONOMIC RECOVERY DURING FY 77 WE EXPECT DEMAND FOR PRINTING AND GRAPHIC ARTS EQUIPMENT TO INCREASE BY ABOUT 20 PERCENT OVER CY 1975. THE U.S. ENJOYS A PRICE ADVANTAGE BECAUSE OF EXCHANGE RATES. WE ALSO HAVE SOME TECHNOLOGICAL ADVANTAGE. ADDITIONAL TRADE PROMOTION ACTIVITIES SHOULD INCREASE OUR SHARE OF THE MARKET.

ACTIONS TO BE TAKEN:

- A.) REVIEW AND EXPAND OUR UNIVERSE LITS.
- B.) BECAUSE OF THE TREND TOWARDS CONCENTRATION IN THIS INDUSTRY, CONTACT LARGER IMPORTERS/DISTRIBUTORS, AS WELL AS USERS.
- C.) SECURE PTO'S
- D.) PROMOTE ATTENDANCE AT EXHIBITIONS AT USTC'S IN EUROPE.

E. ACTIVITY NO. 5. PRIORITY RANK: 13. PROCESS CONTROL INSTRUMENTATION.

DESPITE THE PRESENT ECONOMIC RECESSION IN THE NETHERLANDS, THE MARKET FOR PROCESS CONTROL INSTRUMENTATION HAS CONTINUED TO GROW RAPIDLY. INCREASED LABOR AND MATERIAL COSTS HAVE MADE QUANTITATIVE CONTROLS OF GREATER IMPORTANCE, AND A STIFFENING OF POLLUTION CONTROL LEGISLATION HAS INCREASED THE NEED FOR BETTER QUALITATIVE CONTROLS. ALTHOUGH THERE IS STRONG COMPETITION FROM DUTCH AND GERMAN MANUFACTURERS, AMERICAN PRODUCTS ARE GENERALLY ESTABLISHED IN THIS MARKET. WITH UNCLASSIFIED

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TRADE PROMOTION EFFORTS WE BELIEVE THE U.S. SHARE OF THE MARKET COULD BE INCREASED.

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ACTIONS TO BE TAKEN:

- A.) REVIEW AND EXPAND OUR UNIVERSE LISTS.
- B.) CARRY OUT TOP SOLICITATION CAMPAIGN IN SPRING 1977 TO COINCIDE WITH COMMERCE PROMOTION IN U.S. OF THIS CATEGORY.
- C.) PROMOTE ATTENDANCE AT EVENTS TO BE HELD AT USTC'S IN EUROPE.

F. ACTIVITY NO. 6. PRIORITY RANK: 14. MEDICAL AND HEALTH CARE PRODUCTS.

THIS IS AN EXPANDING MARKET IN THE NETHERLANDS. BESIDES THE REQUIREMENTS OF PRIVATE PHYSICIANS, A SIZEABLE INCREASE IN NEW HOSPITAL CONSTRUCTION AS WELL AS RENOVATION PROJECTS ARE PLANNED BY THE GOVERNMENT. 86 SUCH PROJECTS WERE APPROVED IN 1975, UP FROM 16 AND 33 RESPECTIVELY IN 1973 AND 1974. OUR EXPORTS OF MEDICAL INSTRUMENTS, EXCLUDING X-RAY MACHINES AND MICROSCOPES FOR MEDICAL USE, JUMPED FROM \$15 MILLION IN 1973 TO \$21 MILLION IN 1974 AND DUPLICATED THE LATTER FIGURE IN THE FIRST EIGHT MONTHS OF 1975. OUR MAIN COMPETITORS ARE WEST GERMANY, FOLLOWED BY FRANCE AND THE U.K. WE ARE SECOND ONLY TO WEST GERMANY. BECAUSE OF OUR TECHNOLOGICAL ADVANCES AND THE GOOD REPUTATION ENJOYED BY AMERICAN MEDICAL EQUIPMENT, WE BELIEVE INCREASED TRADE PROMOTION EFFORTS WOULD LEAD TO A LARGER U.S. SHARE OF THIS EXPANDING MARKET.

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ACTIONS TO BE TAKEN:

- A) CALLS ON THE STATE INSTITUTE OF PUBLIC HEALTH WHICH IS ENTRUSTED WITH RECOMMENDING PURCHASES OF MEDICAL EQUIPMENT BY STATE HOSPITALS AND OTHER ORGANIZATIONS.
- B) TRY TO ORGANIZE AN AMERICAN BUSINESS DEVELOPMENT DAY AT THE MEDICAL TRADE FAIR IN UTRECHT, MAY 1977.
- C) REVIEW AND UPDATE OUR LISTS OF IMPORTERS/DISTRIBUTORS.
- D) GENERATE T.O'S.

E) PROMOTE ATTENDANCE AT EXHIBITIONS AT USTC'S IN EUROPE.

G. ACTIVITY NO7. PRIORITY RANK: 15. AUTOMOTIVE PARTS
AND ACCESSORIES, AND GARAGE EQUIPMENT.

THESE TWO SUB-SECTORS WILL BE HANDLED TOGETHER BECAUSE OFTEN
THE SAME IMPORTERS/DISTRIBUTORS AND END-USERS HANDLE THEM.
SALES OF AUTOMOTIVE PARTS AND ACCESSORIES IN
1974 AMOUNTED TO AN ESTIMATED \$555 MILLION, A SUBSTANTIAL
PART OF WHICH WAS REPRESENTED BY IMPORTS. IN VIEW OF THE
TREND TOWARDS KEEPING CARS FOR LONGER PERIODS THAN IN THE
RECENT PAST, THIS MARKET IS EXPECTED TO EXPAND. U.S. EXPORTS
REACHED \$9.4 MILLION IN 1974 AND \$9 MILLION IN THE FIRST
EIGHT MONTHS OF 1975. AS MORE AMERICAN SUPPLIERS PRODUCE
GOODS MEETING EUROPEAN SPECIFICATIONS, WE THINK THAT OUR
EXPORTS COULD SUBSTANTIALLY INCREASE.

ADEQUATE STATISTICS ON THE GARAGE MARKET ARE NOT AVAILABLE
BECAUSE THESE GOODS ARE INCLUDED IN BASKET CATEGORIES.
OUR SOURCES ESTIMATE THAT ABOUT \$40 MILLION WAS SPENT IN THE
NETHERLANDS ON EXPANSION OF GARAGE EQUIPMENT IN
1974, A BAD YEAR. THIS REPRESENTED AN ADDITION OF
LESS THAN ONE PERCENT TO EXISTING GARAGE EQUIPMENT AND
TOOLS, THE VALUE OF WHICH IS ESTIMATED \$5.5 BILLION.
WHILE WE DO NOT HAVE A FIGURE FOR 1975, THE MARKET IS SAID
TO HAVE WITNESSED IMPROVEMENT. THE HIGH COST OF LABOR
WHICH RESULTS IN EQUALLY HIGH CHARGES FOR MAINTENANCE AND
SERVICING IS ENCOURAGING THE PURCHASE OF MORE EQUIPMENT.
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ALSO COMPULSORY PERIODIC VEHICLE SAFETY CHECKING IS
ANTICIPATED WHICH SHOULD BOOST DEMAND FOR GARAGE
EQUIPMENT, PARTICULARLY ELECTRONIC DIAGNOSIS
EQUIPMENT. OUR COMPETITORS ARE WEST GERMANY, WITH ABOUT
40 PERCENT OF THE IMPORTS, THE U.K. AND FRANCE.

ACTIONS TO BE TAKEN

A) CONDUCT PERSONAL VISIT CAMPAIGN ON LEADING AUTOMOTIVE
PRODUCT IMPORTERS/DISTRIBUTORS, END-USERS, AND LARGE
RETAILERS.

) ATTEMPT TO ORGANIZE AMERICAN BUSINESS DEVELOPMENT DAY
(CATALOG SHOW) AT THE AUTOVAK EXHIBITION, AMSTERDAM
APRIL 1977.

C) DEVELOP TO'S.

D) PROMOTE ATTENDANCE AT EXHIBITIONS AT USTC'S IN EUROPE.

H. ACTIVITY NO. I. PRIORITY RANK: 16. U.S. TOURISM PROGRAM

THIS PROGRAM WAS CAREFULLY REVIEWED IN RECENT MONTHS AND ACTIONS WERE TAKEN TO REDEFINE AND CLARIFY THE ACTIVITIES OF THE EMBASSY, THE VOLUNTEERS OF THE VISIT AMERICAN BOOTH, AMSTERDAM, THE VISIT USA FOUNDATION, AND THE REST OF THE DUTCH TRAVEL INDUSTRY REPROMOTION OF VISITS TO U.S. (THE HAGUE 0162; AIRGRAM FOLLOWS). DESPITE DROP IN NUMBER VISITORS FROM EUROPE IN FIRST NINE MONTHS OF 1975, INCLUDING THOSE FROM THE OTHER THREE "SPECIAL MARKETS," THOSE FROM NETHRLANDS INCREASED. THIS COUNTRY HAS ALSO MAINTAINED ITS POSITION AS TENTH BEST SUPPLIER OF VISITORS TO U.S.. THIS FAVORABLE TREND CAN BE ENCOURAGED BY COMBINED EFFORTS OF EMBASSY AND OTHER ENTITIES SPONSORED BY IT.

ACTIONS TAKEN

A) CONTINUE EFFORTS TO SECURE TOURIST PUBLICATIONS FROM USTS, STATE OFFICES, AND OTHER SOURCES.

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B) CONTINUE TOSUPPORT OF AMSTERDAM VOLUNTEERS AND VISIT USA FOUNDATION.

C) ORGANIZE TWO SEMINARS FOR DUTCH TRAVEL TRADE WITH ASSISTANCE OF VISIT USA FOUNDATION AND OTHERS.

D) CONTINUE TO REVIEW AND IMPROVE BI-WEEKLY PROSPECT LISTS, BASED ON REQUESTS RECIEVED BY VOLUNTEERS, TO ENHANCE THEIR USEFULNESS TO VISIT USA FOUNDATION SPONSORS.

E) CONTINUE PUBLICATION OF SPECIAL U.S. TOURISM SECTION IN EMBASSY NEWSLETTER.

F) GENERATE IN DUTCH PRESS ARTICLES ON TRAVEL TO U.S.

G) SUPPORT AIRLINES IN SECURING CAB WAIVERS FOR FREE TRAVEL TO U.S.

I. ACTIVITY NO. 9. PRIORITY RANK: 17. NESLETTER.

A CAMPAIGN IS ALREADY UNDERWAY TO EXPAND SUBSTANTIALLY COVERAGE OF NESLETTER WHOSE DISTRIBUTION LISTS HAVE DROPPED APPRECIABLY IN LAST FEW YEARS. WE HAVE REDESIGNED COVER INTO A MULTI-COLORED ONE, WITH TABLE OF CONTENTS ON IT. ITS CONTENT IS ALSO BEING CAREFULLY SELECTED AND EXPANDED, WITH PHOTOS, TO MAKEIT A BETTER TOOL FOROUR TRADE PROMOTION

ACTIVITIES.

ACTIONS TO BE TAKEN:

A) CONTINUE TO INCREASE DISTRIBUTION LIST.

B) EXPANSION OF SECTIONS RE COMMERCIAL SERVICES OF EMBASSY
AND CONSULATES GENERAL, TO ENCOURAGE THEIR INCREASED
USE BY DUTCH BUSINESSMEN.

C) INCLUDE TIMELY ARTICLES TIED TO U.S. TRADE EVENTS, BOTH
IN THE U.S. AND THE USTC'S IN EUROPE, WITH SPECIAL
EMPHASIS ON FOREIGN BUYER GROUP PROGRAM.

D) GEAR CONTENTS MORE CLOSELY TO CURRENT TRADE PROMOTION
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ACTIVITIES.

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J. ACTIVITY NO. 10. PRIORITY RANK: 18. SECURITY EQUIPMENT.
ALTHOUGH CRIME RATES ARE STILL COMPARATIVELY LOW IN THE
NETHERLANDS, THERE HAS BEEN A RAPID RISE IN BURGLARY, SHOP-
LIFTING AND ROBBERY IN RECENT YEARS. THERE IS ALSO A GROWING
LOCAL CONCERN OVER THE THREAT OF INDUSTRIAL ESPIONAGE. WHILE

THERE ARE MANY EUROPEAN COMPETITORS, THE US IS ACKNOWLEDGE TO BE AMONG THE LEADERS IN THE MANUFACTURE OF SOPHISTICATED SECURITY EQUIPMENT. WITH MORE TRADE PROMOTION EFFORTS, AMERICAN SUPPLIERS SHOULD BE ABLE TO INCREASE THEIR ALREADY LARGE SHARE OF THE DUTCH MARKET.

ACTIONS TO BE TAKEN:

- A) ORGANIZE AND PROMOTE AMERICAN BUSINESS DEVELOPMENT DAY AT SECURITY '77 SHOW TO BE HELD IN UTRECHT IN MARCH 1977.
- B) PROMOTE ATTENDANCE AT THE ANNUAL SOCIETY OF INDUSTRIAL SECURITY SEMINAR AND EXHIBITION TO BE HELD IN DENVER, SEPTEMBER 1977.
- C) PROMOTE ATTENDANCE AT EVENTS TO BE HELD AT USITC'S IN EUROPE.
- D) REVIEW AND EXPAND OUR INVERSE LISTS OF IMPORTERS/DISTRIBUTORS AND USERS.

K. ACTIVITY NO 11. PRIORITY RANK: 19. MAJOR PROJECTS. WHILE THE NETHERLANDS IS STILL SUFFERING FROM RECESSION, INFLATION AND HIGH UNEMPLOYMENT, INDUSTRIAL INVESTMENT IN 1976 IS EXPECTED TO EXCEED \$2 BILLION. SOME INDUSTRIES SUCH AS THE CHEMICAL AND PETROLEUM SECTORS ARE EXPECTED TO INCREASE APPRECIABLY THEIR INVESTMENTS, ALTHOUGH MANY OTHERS PLAN UNCLASSIFIED

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EITHER TO CURTAIL OR NOT TO MAKE NEW INVESTMENTS. OF COURSE THIS REDUCES THE POTENTIAL NUMBER OF MAJOR PROJECTS. JUST THE SAME WE BELIEVE IT IS WORTHWHILE THAT THIS ACTIVITY BE GIVEN A PRIORITY.

ACTIONS TO BE TAKEN:

- A) MONITOR TRENDS AND REPORT MAJOR PROJECTS WHICH APPEAR TO OFFER PROSPECTS FOR US GOODS AND SERVICES.
- B) REVIEW STATUS OF MAJOR PROJECTS PREVIOUSLY REPORTED AND SEND PROGRESS REPORTS AS WARRANTED.
- C) MAINTAIN CONTACTS WITH APPROPRIATE GOVT OFFICIALS AND INDUSTRY EXECUTIVES.

L. ACTIVITY NO 12. PRIORITY RANK: 20. INVESTMENT PROTECTION/FACILITATION.

THE AMERICAN COMPANIES, ESTABLISHED IN THE NETHERLANDS IN VERY LARGE NUMBER, ARE GENERALLY SATISFIED AND RECEIVE PRACTICALLY NATIONAL TREATMENT. THE DUTCH BUSINESS AND FINANCIAL COMMUNITIES ARE GENERALLY ACTIVE AND WELL INFORMED WITH REGARD TO INVESTMENT IN THE US. HOWEVER, BECAUSE OF INCREASED LABOR COSTS, HIGH PRICES OF LAND, HEAVY TAXATION, AND GENERALLY DETERIORATING INVESTMENT FRAMEWORK IN THE NETHERLANDS, WE EXPECT THAT THOSE COMPANIES WHICH PLAN TO EXPAND PRODUCTION, PARTICULARLY THOSE

WHICH HAVE A MARKET FOR THEIR GOODS IN AMERICA, MAY FIND THE
US A SUITABLE LOCATION FOR ADDITIONAL PRODUCTION FACILITIES.

ACTIONS TO BE TAKEN:

A) MAINTAIN THE ALREADY EXTENSIVE AND CLOSE RELATIONS WITH
RESIDENT AMERICAN BUSINESS COMMUNITY, AND EXTEND ASSISTANCE
AS REQUIRED.

B) MAINTAIN AND EXPAND OUR CONTACTS WITH BANKS, CONSULTANTS
AND EXECUTIVES OF LARGE COMPANIES TO INFORM THEM OF THE
ASSISTANCE AND OTHER INCENTIVES AVAILABLE TO THEM FROM
STATE GOVERNMENT; WE WILL ALSO PUT THEM IN TOUCH WITH APP-
ROPRIATE STATE AGENCIES.

C) PORTFOLIO INVESTMENT WILL NOT BE NEGLECTED AND WE WILL IN-
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CLUDE INSTITUTIONAL INVESTORS IN OUR REGULAR CONTACTS.
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Message Attributes

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Capture Date: 01 JAN 1994
Channel Indicators: n/a
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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976THEHA00339
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760024-0751
From: THE HAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760133/aaaabdce.tel
Line Count: 1218
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Reference: 76 STATE A-7369, 76 THE HAGUE A-168
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 24 JUN 2004
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Review History: RELEASED <24 JUN 2004 by schwenja>; APPROVED <12 NOV 2004 by CunninFX>
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Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
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Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COUNTRY COMMERCIAL PROGRAMS FOR FY 77
TAGS: BEXP, AFSP, NL
To: STATE COM
Type: TE
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